

Telecommunication Services

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August 1, 1994

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FCC MAIL ROOM

Mr. W. Caton, Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Room 222  
Washington, DC 20554

Re: Docket No. 92-77

Dear Mr. Caton:

The University of Colorado at Boulder is deeply concerned about the effects of Billed Party Preference (BPP). Specifically, I would like to comment on three issues: (1) the extent to which consumers find access codes confusing and/or convenient, (2) the extent to which BPP would refocus competition more squarely on consumers, (3) the loss of an essential revenue source to the University.

**1. Extent to which consumers find access codes confusing and/or convenient.**

Since Congress passed the Telephone Operator Consumer Services Improvement Act in 1990, the dominant carriers have launched a campaign of information and education using the media, direct marketing, and customer education notices. In addition, as required by the FCC docket regulating operator services, each aggregator location displays the calling options available to consumers when placing a 0+ call. It is safe to say that the majority of consumers are familiar with their options when dialing from aggregator premises or public payphones. The success of the education and information campaign has resulted in informed consumers who associate access code dialing with convenience rather than confusion. A survey conducted by an independent group of Business School students on behalf of the University shows that students are overwhelmingly familiar with their options, with 88.5% of respondents saying they were using calling cards to make calls. We conclude that consumers find access codes convenient to use and would continue using them to select their carrier of their choice.

The survey also indicated that when it comes to long distance operator services, a large proportion of consumers see no difference in service quality between carriers. Yet, many consumers choose AT&T over the other carriers. It can be inferred that, in the mind of the consumers, the three dominant carriers are competing in a level field. AT&T no longer has the automatic advantage it once had. Therefore, contrary to the assertion of AT&T's competitors, implementing Billed Party Preference would not necessarily eliminate AT&T's advantage.

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## **2. Extent to which BPP would refocus competition more squarely on consumers**

Would consumers benefit from refocusing operator service competition on the consumer? In realistic terms, the average consumer expense incurred from 0+ calling in any one month is a small fraction of their telecommunications bill. The difference between the average 34 cents currently expended per minute of 0+ calling and any anticipated price decrease would amount to a few cents per call, and no more than pocket change taken over a year's time.

Furthermore, it is not evident that consumers would benefit at all from refocusing operator service competition on consumers. As the Commission indicated in its docket, Billed Party Preference would cost the LECs over \$1 billion in one-time network upgrades, and millions of dollars in recurring operator processing, maintenance and monitoring costs. These would in turn be passed on to the carriers who provide operator services. They, in turn, would justifiably pass these costs to the consumer. In the end, it is therefore doubtful that there would be a significant cost gain to the consumer.

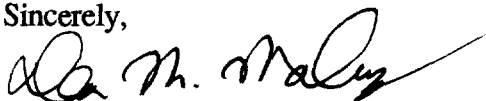
## **3. The loss of an essential revenue source to the University**

Colleges and Universities would lose a significant source of revenues for telecommunication programs at a time when state funding sources continue to be tight. For example, in Colorado, beginning with the passage of Amendment 1 in 1992, the University has faced continued downsizing and budget cuts while at the same time having serious limits placed on its ability to raise new revenues. Operator Services (OSP) is an essential revenue source during these trying budget times. At the same time, the University has worked hard to ensure that our consumers are never charged more than "AT&T tariff" rates.

Prison inmate services received an "inmate" exemption from OSP services. The reason was that OSP revenue was an important source of revenue for their operations. From all indications, inmate services will also be exempt from BPP. I would argue that Colleges and Universities should also be given an exemption since there are no other options for recovering the loss of this revenue stream.

In conclusion, the University of Colorado at Boulder deeply believes that while Billed Party Preference would have a minimal economic effect on the consumer, it would have a dire adverse economic impact on the ability of the University to continue to serve its campus community with the quality telecommunication services. Therefore, we urge the FCC to reconsider the passage of Billed Party Preference

Sincerely,



Dennis Maloney  
Director, Telecommunication Services  
University of Colorado at Boulder

DMM/gp